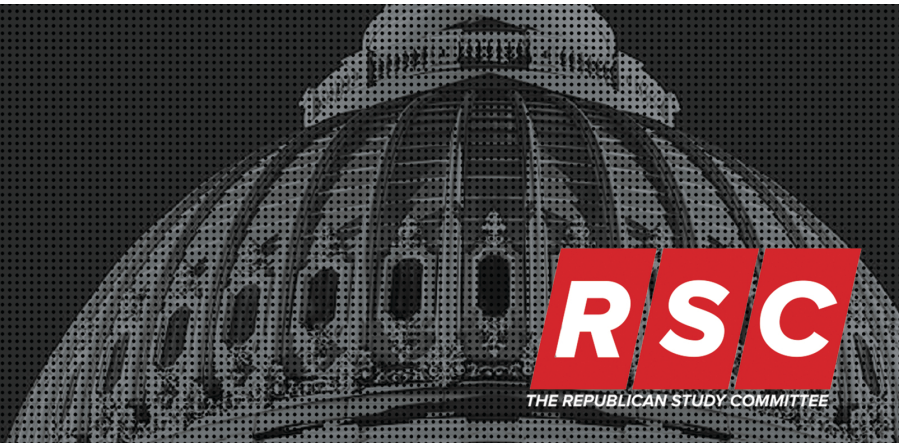


SECURING AMERICA'S FUTURE ECONOMY

FISCAL YEAR 2018 BUDGET



EXECUTIVE SUMMARY

The Republican Study Committee's Fiscal Year 2018 Budget

- Details the commonsense solutions needed to protect Liberty, Security, and Opportunity for the American people.
- Builds on past RSC budgets that have helped to provide the policy agenda for the House Republican Budget and the President's Budget Request, putting freedom back to work.
- Includes more than 250 specific policy reforms and spending cuts.
- Provides reconciliation instructions to allow for enactment of mandatory spending reductions, tax reform, and enforcement of the budget without the political threat of a filibuster in the Senate.

Provides A Responsible Fiscal Path

- Reduces spending by more than \$10 trillion compared to current law over ten years.
- Balances the budget in 2023.
- Decreases FY 2018 non-defense discretionary to \$394 billion.
- Eliminates programs that are unconstitutional, duplicative, unnecessary, wasteful, or ineffective and limits funding for unauthorized programs.

Prioritizes Defense and Strengthens National Security

- Breaks the artificial "firewall" in discretionary spending to prioritize the core constitutional responsibility of providing for the common defense.
- Provides \$668 billion for national defense in Fiscal Year 2018, increasing to \$737 billion in FY 2027 – totaling nearly \$7 trillion over the next decade.
- Increases funding by more than \$700 billion over ten years to invest in readiness, support a robust naval fleet, and respond to threats in multiple theatres while implementing reforms to ensure an efficient Pentagon that is focused on national security.

- Ends the use of Overseas Contingency Operations (OCO) as a budget gimmick by incorporating planned OCO into the base budget, while allowing additional cap-exempt funding for true contingencies and emergencies.

Fully Repeals and Replaces Obamacare

- Fully repeals Obamacare.
- Replaces Obamacare by building off the American Health Care Act with reforms from the RSC's American Health Care Reform Act, including buying across state lines, medical liability reform, and McCarran-Ferguson Act reform.
- Block grants Medicaid at pre-Obamacare levels with a state option of per-capita cap funding and requires work for able-bodied beneficiaries.

Makes Social Security Solvent

- Implements the Social Security Reform Act, which saves Social Security for the next generation.
- Phases in an increase to the eligibility age to keep up with increases in longevity.
- Updates to a more accurate system for calculating cost-of-living adjustments for those that need them most.
- Modernizes the benefit formula for new retirees, provides additional support for the most vulnerable, and reduces barriers to staying active in retirement.

Saves Medicare

- Saves and improves Medicare by providing more choices and lower costs.
- Reduces costs for beneficiaries by implementing premium support in 2022, while including traditional fee-for-service as an option.
- Phases in an increase to the eligibility age so that it aligns with Social Security to keep up with increases in longevity.
- Simplifies the program by combining Parts A and B, implements Medigap reform, and phases in increased premiums and means testing.

Rescues Disability Insurance

- Modernizes the program, refocusing it on those who need the most help, updates to the program to encourage labor force participation where possible, and prevents fraud.

Reforms the Tax Code

- Creates a pathway for permanent, pro-growth tax reform, with principles that are consistent with those laid out by President Trump and House Republicans.
- Revenue-neutral on a dynamic basis to the current policy baseline after Obamacare is repealed.

- Establishes a fairer tax code that lowers rates across the board and eliminates special interest provisions.

Creates an Environment for Economic Growth and Jobs

- Focused on moving Americans back into the labor force, rewarding work, and removing restrictions on innovation.
- Deconstructs the administrative state by reforming the regulatory process and implementing a new regulatory budget.
- Allows for domestic energy production and eliminates barriers to investment by implementing the Financial CHOICE Act.
- Lifts unfair labor regulations such as the Davis-Bacon Act, implements National Right to Work, and prohibits union work by federal employees on official time.
- Ends cronyism that uses the power of government to pick winners and losers in the economy, such as the Export-Import Bank and the Jones Act.

Empowers Americans to Ensure Opportunity, Upward Mobility, and Self-Sufficiency

- Changes the incentives in welfare programs to reward work and earned success to empower individuals, families, and local communities.
- Do what we know works: require work, job search or training, or volunteering by all able-bodied adults in order to be eligible for welfare benefits.
- Reforms to eliminate marriage penalties, fight fraud, and allow for more state flexibility.

Restores Constitutionalism, Limits and Reforms Government, and Fixes the Budget Process

- Identifies reforms to restore a properly limited federal government.
- Holds the administrative state accountable to the people.
- Secures the border, protects life and American's constitutionally guaranteed liberties.
- Permanently bans earmarks, restores the Article I power of the purse, and increases transparency.